

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Extension of incentives under Industrial Investment Promotion Policy (IIPP) 2005-10 to the (49) units of SC / ST Entrepreneurs of Ranga Reddy district who availed loans from Non-banking financial institutions- Orders – Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Rt.No. 238

**Dated: 15.04.2013
Read the following:**

1. G.O.Ms.No.149, I & C (IP) Department, dt.20.06.2008
2. From the Commissioner of Industries, Hyderabad, Letter No. No.39/2/2009/0620/UP, Dt:18.08.2010.
3. From the General Manager, DIC, Ranga Reddy, Letter No.10522 / B2 / 2011, Dt: 28.3.2011.
4. Meeting of State Investment Promotion Committee held on 16.06.2012.
5. Meeting of State Investment Promotion Board held on 27.06.2012.
6. From the Commissioner of Industries, Hyderabad, Letter No. 39/1/2012/0620/0620, Dt: 28.09.2012.

ORDER:

In the G.O 1st read above, Government have issued orders extending incentives to the units setup by the SC / ST entrepreneurs, under IIPP (2005-10) policy. As per Para 15.6.17 of policy the entrepreneurs could avail term loans only from Scheduled Commercial Banks for claiming the incentives under IIPP 2005-10.

2. In the reference 2nd read above, the Commissioner of Industries, Hyderabad has stated that the General Manager, District Industries Centre, Ranga Reddy district has forwarded the list of SC /ST units which availed loans from Non-banking Financial institutions like Mahindra & Mahindra Financial Services Ltd., Kotak Mahindra Bank Ltd., etc. for purchase of Transport vehicles and requested for sanction and release of investment subsidy to the units. The Commissioner of Industries, Hyderabad has therefore requested the Government to take a view on the eligibility of the units for sanction of Investment subsidy under IIPP 2005-10 which are financed by Non-banking Financial institutions, as there are no guidelines to sanction and release of investment subsidy financed by Non-banking Financial institutions.

3. In the reference 3rd read above, the General Manager, District Industries Centre, Ranga Reddy district has reported that units who have applied with full information were inspected and verified by the Multi disciplinary Committee and Technical Committee. The matter was placed in the 87th and 89th State Level Committee meetings. The 87th SLC is held on 8.4.2011 and the decision is as following:

“The SLC examined the proposal of 49 units of SC /ST entrepreneurs, financed by NBFIs and approved by DLC, Rangareddy district for the sanction of Investment subsidy forwarded by the General Manager, DIC, Ranga Reddy under IIPP 2005-10 and decided to refer to Govt for its decision”

Contnd..2

The 89th SLC is held on 6.8.2011 and the decision is as following:

“SLC discussed the issue in detail and decided to recommend all the cases which availed the loan from NBFI's upto 30-06-2010 to Government for sanction of investment subsidy as a special case and further units availing loan from NBFIs will not be considered for sanction of incentives under SCP /TSP scheme”

4. In the reference 4th read above, the State Investment Promotion Committee (SIPC) have discussed the proposal and decided to place the matter before the State Investment Promotion Board (SIPB) with the following recommendations:

a. The issue was discussed in detail and the Finance Dept agreed to consider the proposal. The Commissioner of Industries was advised to ensure that all the units exist before release.

b. SIPC further suggested that the District Collectors concerned can get the units inspected through a Committee of Officers and certify the genuineness of the units.

5. In the reference 5th read above, the State Investment Promotion Board (SIPB) discussed the proposal of sanction of investment subsidy to the SC /ST entrepreneurs in detail and decided to extend the following incentives, as recommended by the SIPC:

SIPB has agreed to the decision of SIPC and advised to take proper care in recording the minutes indicating that this will be a one time sanction.

6. In the reference 6th read above, Commissioner of Industries, Hyderabad has informed that out of 93 Non-banking Financial institution units of Ranga Reddy district 49 units are already inspected by the Multi Disciplinary Committee Technical Committee and placed in District Level Committee and the list was approved by the District Collector for an amount of Rs.1,32,47,707/- in the meeting held on 16.03.2011. The reports for the remaining 44 units from Ranga Reddy District and 8 units of Medak district are yet to be received. He has requested Government for release of Rs. 1,32,47,707/- for the 1st spell in respect of 49 units.

7. Government after careful examination of the decision of the State Investment Promotion Board hereby accord administrative sanction for Rs.1,32,50,000/- (Rupees One Crore Thirty Two Lakhs Fifty Thousands only) towards investment subsidy under IIPP2005-10 to the (49) SC / ST Entrepreneur units of Ranga Reddy district who availed loans from Non Banking Finance Institutions as recommended by the District Level Committee and release the investment subsidy to the financial institutions as a last instalment (i.e. the beneficiary shall re-pay first the loan component on his own and end instalments shall be adjusted by the subsidy amount) as one time sanction subject to further verification and certification of the genuineness of these units by a Committee of Officers constituted by the District Collectors concerned.

8. The above expenditure shall be met from the schemes of incentives for SC entrepreneurs of industrial promotion.

9. The Commissioner of Industries, Hyderabad is requested to take action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K. PRADEEP CHANDRA,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To:

The Commissioner of Industries, Hyderabad

Copy to:

The Commissioner of Commercial Taxes, Hyderabad

The District Collector, Ranga Reddy District

The General Manager, Ranga Reddy District

The Pay and Accounts Officer, Andhra Pradesh, Hyderabad.

The Accountant General (A&E), Andhra Pradesh, Hyderabad.

The Finance (Expr.I &C) Department

The P.S to Minister for Handlooms & Textiles, Spinning Mills,
SSI and K&VI Board

The P.S to Prl.Secretary to Govt & CIP, Ind & Com Dept
Sf/Sc.

//FORWARDED::BY ORDER//

SECTION OFFICER